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SOE losses triple despite reforms

Finance ministry cites power sector drag in FY25 performance

By Khaleeq Kiani

ISLAMABAD: Despite the government's proclamations of reforms and economic stabilisation, the overall financial performance of state-owned entities (SOEs) deteriorated further in 2024-25, with their consolidated losses surging by 302 per cent, mainly led by the power sector, according to the Ministry of Finance (MoF).

The ministry confirmed that not only did overall revenues decline, but consolidated profits also fell, and financial losses and budget injections increased in 2024-25 compared to the previous year. The consolidated financial results of the SOEs firmed up by Central Monitoring Unit (CMU) of the MoF came up for review before a meeting of the Cabinet Committee on SOE (CCoSOEs) presided over by Finance Minister Muhammad Aurangzeb on Friday.

The committee was informed that "during 2024-25, aggregate revenues of SOEs stood at approximately Rs12.4 trillion, reflecting a decline largely attributable to reduced profitability in the oil sector following lower international oil prices," the MoF said.

Aggregate profits of profit-making SOEs declined by 13pc to Rs709.9bn compared to Rs820.7bn last year, while aggregate losses of loss-making SOEs showed improvement, declining by around 2pc to Rs832.8bn. "Despite this improvement, the net result was an overall net loss of Rs122.9bn for the SOE sector, compared to a net loss of Rs30.6bn in the

previous year," showing more than three times increase, the MoF said.

It was highlighted that losses remain heavily concentrated in a small number of entities, particularly in the transport and power distribution sectors. National Highway Authority and several power distribution companies continued to be major loss contributors, reflecting structural issues, high depreciation, financing costs, and the public service nature of certain operations that are not commercially viable.

The committee was briefed on the categorization of SOEs into green, amber and red categories based on financial sustainability, with a view to prioritizing reforms and decision-making.

On fiscal support, the committee noted that total government support to SOEs increased to Rs2.078tr during 2024-25, driven mainly by higher equity injections to clear circular debt stock, while subsidies showed a modest decline. At the same time, inflows from SOEs to the government increased to Rs2.119tr, supported by higher dividends, tax receipts and interest income on government lending.

The debt profile of SOEs was discussed in detail. Total SOE debt at the portfolio level increased to Rs9.57tr, comprising cash development loans, foreign re-lent loans, bank borrowings and accrued interest. The committee was also explained the quantification of unfunded pension liabilities across SOEs, estimated at around Rs2tr, which was identified as a major legacy risk requiring policy attention. Guarantees and other off-balance-sheet contingencies were reported at Rs2.16tr.

The meeting reaffirmed commitment to transparency and structural reforms while reviewing the

Annual Consolidated Performance Report of Commercial and Non-Commercial State-Owned Enterprises (SOEs) for 2024-25. Director General CMU Majid Soofi presented the report and briefed the committee.

The report covered the financial and non-financial performance of SOEs, government support and fiscal flows, contribution of SOEs to the exchequer, debt profile, corporate governance and compliance status, business plan assessments, and the proposed way forward under the SOEs Act 2023.

The finance minister commended the CMU for strengthening transparency, consolidating SOE financial information on an International Financial Reporting Standards (IFRS) aligned basis, and establishing a comprehensive digital database to support evidence-based decision-making.

He noted that the presentation reflected meaningful progress in oversight, disclosure and risk identification, particularly in areas of fiscal flows, debt mapping and unfunded pension liabilities.

The minister said the report was a credible foundation for informed policy action and sustained reforms, and reaffirmed the government's commitment to improving governance, enforcing accountability, and placing SOEs on a path toward financial sustainability and operational efficiency.

The meeting stressed the need for enforcement of audit completion in compliance with the SOEs Act 2023, and timely transition to IFRS-based reporting by February 2026. The importance of realistic business plans, sector-specific engagements, loss reduction strategies and hard budget constraints, particularly for chronically loss-making entities, was also underscored.



PRIME Minister Shehbaz Sharif meets a delegation of the UAE's Sajwani Group on Friday.—PID

PM Shehbaz woos UAE investment in IT sector

ISLAMABAD: Appreciating the growing interest of the UAE investors in Pakistan's digital economy, Prime Minister Shehbaz Sharif on Friday said that the government is giving special importance to business-to-business (B2B) cooperation in the fields of information technology, digital innovation, blockchain, and other emerging technologies.

The prime minister, in a meeting with a delegation of the UAE's Sajwani Group, said that the recent high-level contacts and exchanges had increased mutual trust between the private sectors and investors of Pakistan and the United Arab Emirates, providing a strong foundation for advancing bilateral cooperation.

He said that the deep, fraternal and longstanding Pakistan-UAE relations were based on mutual trust, which were heading towards more effective economic cooperation and investment.

The premier viewed that the recent visit of the UAE President Sheikh Mohamed bin Zayed Al-Nahyan to Pakistan had further strengthened the bilateral partnership, also creating a conducive environment for promoting cooperation.

He said that the UAE's investment and global connectivity, combined with Pakistan's human resources and workforce, represented a highly beneficial partnership for economic growth.

PC as apex forum

Deputy Prime Minister Ishaq Dar on Friday stressed that the Planning Commission (PC) should act as the central clearing-house for economic decisions, providing guidance to ministries and divisions to maintain policy consistency and development planning, while supporting sustainable reforms to strengthen Pakistan's economic governance.

Chairing a meeting on economic reforms, Mr Dar highlighted the historic and central role of the PC in economic and development policy-making, said a news release.

He emphasised the need to empower PC to drive strategic policy, give priorities, and oversee public investment effectively.—APP

December remittances hit FY26 peak at \$3.6bn

By Shahid Iqbal

KARACHI: Workers' remittances in December rose to the highest level of the current fiscal year (FY26), reaching \$3.6 billion, largely driven by continued incentives for sending money through formal channels and relative stability in the exchange rate.

The inflows showed a growth of over 16 per cent on a year-on-year basis. The government is expecting \$40bn in remittances for the current financial year, while the strong increase in the first half indicates that the target may be exceeded.

"In terms of growth, remittances (in December) increased by 16.5 and 12.6pc on year-on-year and month-on-month basis, respectively," said the State Bank.

During the last six months, inflows remained above \$3bn, while the second-highest inflows were recorded in October at \$3.419bn. The rising trend is seen as a positive sign for higher remittances in the second half of the current fiscal year.

In the first half of FY26, remittances increased by 10.6pc, although this growth remained lower than the 32.8pc recorded in the same period of the previous fiscal year.

Pakistan is among the top countries receiving large foreign exchange inflows through remittances. While a growing number of jobseekers leaving the country is termed by some economists as brain drain, the government considers it

beneficial for the external balance. Last year's record inflows of \$38bn helped partially repay external debt, boost State Bank reserves, stabilise the exchange rate and post a current account surplus after more than a decade.

According to State Bank data, Pakistan received a total of \$19.73bn in the first half of FY26 compared to \$17.846bn in FY25, showing an increase of 10.6pc.

The data also shows that the government has already achieved 50 per cent of the annual remittance target within the first six months of FY26.

Currently, obtaining a UAE visa has become extremely restricted, with long queues visible outside its consulate in Karachi. Despite this, the UAE remained the second-largest source of remittances, with Pakistan receiving \$4.089bn during the first half of the current fiscal year.

Saudi Arabia topped the list, with remittances of \$4.715bn in the first half of FY26. However, growth from the kingdom slowed to 6.6pc compared to 36pc during the same period last fiscal year.

Other significant inflows came from the United Kingdom (\$2.9bn, up 11pc), European countries (\$2.617bn, growth of 22.6pc), GCC countries (\$1.877bn, growth of 4.6pc) and the United States (\$1.686bn, showing a decline of 6pc).

Remittance inflows during December 2025 were mainly sourced from Saudi Arabia (\$813.1m), the UAE (\$726.1m), the UK (\$559.7m) and the US (\$301.7m).

Weekly inflation surges 3.2pc

ISLAMABAD: Short-term inflation, measured by the Sensitive Price Index (SPI), increased 3.20 per cent year-on-year in the week ending Jan 8 due to rising retail prices of wheat flour, sugar and rice.

The SPI-based inflation recorded an upward trend for the past 23 consecutive weeks. The increase is mainly driven by a surge in prices of perishable products, as well as chicken, and edible oil prices.

It, however, increased by 0.12pc from the previous week due to a consistent increase in non-perishable food items, official data showed on Friday.

The extraordinary spike in the retail prices of sugar and meat also contributed to the reversal of deceleration in short-term inflation during the past weeks.

The items whose prices increased the most over the previous week included wheat flour (5.07pc), chicken (2.86pc), garlic (2.44pc), chilli powder (1.01pc), LPG (0.88pc), tea prepared (0.73pc), shirting (0.61pc), sugar (0.58pc), bread (0.51pc), rice basmati broken (0.41pc) and firewood (0.25pc).

However, on an annual basis, the items whose prices increased the most included wheat flour (31.12pc), gas charges for Q1 (29.85pc), beef (13.15pc), chilli powder (11.43pc), sugar (11.18pc), bananas and firewood (10.57pc) each, gur (10.50pc), powdered milk (9.51pc), shirting (8.73pc), lawn printed (8.29pc) and eggs (8.03pc).

The prices of 21 items increased, eight decreased and those of 22 items remained stable compared to the previous week.—Mubarak Zeb Khan

Petroleum secretary removed

By Our Staff Reporter

ISLAMABAD: The government on Friday unceremoniously removed Petroleum Secretary Momin Agha and directed him to report to the Establishment Division without any further posting.

In his place, the government gave the additional charge of petroleum secretary to Mirza Nasir-ud-Din Ahmad, Additional Secretary Petroleum, on a look-after basis till the posting of a regular officer.

Informed sources said Mr Agha and petroleum minister Ali Pervaz Malik were not on the same page over the past couple of months, despite both being close to the top PML-N leadership, on issues pertaining to gas allocations, third party use of pipeline capacity by private sector, nominations for board of directors in public sector entities and matters relating to appointments in Oil and Gas Regulatory Authority (Ogra) including the position of its chairman.

This led to the unceremonious exit of

Mr Agha, a grade-22 officer of the Pakistan Administrative Service, formerly of the District Management Group. A similar situation had occurred earlier last year, culminating in the transfer of former petroleum minister Dr Musadik Malik to the Climate Change Division.

Meanwhile, the government also appointed Muhammad Khalid Rehman as managing director of Pakistan Petroleum Ltd (PPL) for an interim period of three months in addition to his own position as Chief Financial Officer.

He replaced Sikandar Ali Memon, who had been holding the PPL post on an interim basis for quite some time but was not allowed to continue after reaching superannuation.

More changes are likely to follow in the associated wings and companies of the petroleum division as a group of bureaucrats close to the minister appeared jubilant on the exit of Mr Agha and ready to assume rewarding board positions in lucrative petroleum companies.

GDP seen growing 3.5pc in 2026

ISLAMABAD: Pakistan's economy is expected to expand by a modest 3.5 per cent in 2026, as implementation of the reform programme under the IMF remains robust, with economic recovery on track, says the 'World Economic Situation and Prospects 2026' published by the United Nations.

The report, released by the United Nations Department of Social Affairs (DESA) and made available to Dawn on Friday, notes that the current account posted a surplus for the FY25, the fiscal primary balance exceeded targets, inflation remained contained, and external buffers strengthened.

However, adverse shocks like the recent floods pose significant threats to economic and development progress, increasing risk to economic growth, fiscal consolidation and poverty reduction efforts, the report fears.—Amin Ahmed

US DOLLAR BUYING Rs280.40 SELLING Rs281.05	EURO BUYING Rs326.68 SELLING Rs329.82
GBP BUYING Rs376.50 SELLING Rs379.95	UAE DIRHAM BUYING Rs76.49 SELLING Rs77.22
KSA RIAL BUYING Rs74.82 SELLING Rs75.40	GOLD TOLA Rs469,562 10 GMS Rs402,573

Equities extend losses on profit-taking

By Muhammad Kashif

KARACHI: The Pakistan Stock Exchange (PSX) remained under selling pressure as investors continued taking profits at inflated levels for the second straight session on Friday, dragging the benchmark KSE-100 index below 185,000 points, closing the week-end session on a bearish note after a record run.

Ali Najib, Deputy Head of Trading at Arif Habib Ltd, said the PSX remained volatile, swinging in both directions before closing at 184,409.67, down 1,133.34 points or 0.61 per cent. Despite the decline, CY26 year-to-date gains remained strong at 5.95pc, equivalent to an increase of 10,356 points.

Market sentiment remained positive in the morning session; however, profit-taking and selling

PAKISTAN STOCK EXCHANGE

THE TOP FIVE

GAINERS

Khyber Textile67.33

Rafhan Maize57.02

PNSC41.18

Premium Textile29.97

Al-Ghazi Tractors23.84

LOSERS

Unilever Foods263.00

PIA Holding CoB251.01

Highnoon Lab23.14

Supernet Techno23.00

Sazgar Engg22.81

LEADERS*

Fauji Foods Ltd75.81

Hascol Petroleum68.34

Media Times Ltd56.23

Bank Makramah42.94

The Bank of Punjab36.96

(Share values in rupees)

* Volume in millions of traded shares

INDICATORS

Friday

Previous

Change

KSE 100-SHARE INDEX (Points)

184,409.67

185,543.01

▼1,133.34

KSE 30-SHARE INDEX (Points)

56,593.88

56,998.00

▼404.12

MARKET CAPITAL (Rs billion)

20,768.092

20,862.435

▼94.342

TRADING VALUE (Rs billion)

52.924

91.335

▼38.411

ACTIVITY

Total listed532

Active483

Gainers162

Losers271

PARTICIPANTS

Foreign▼\$31.33m

Companies▲\$17.71m

Banks▲\$7.90m

Mutual Funds▼\$0.92m

Individuals▲\$8.70m

pressure dominated the latter half, forcing the benchmark index to close another negative for CY26. On the macro front, remittances from overseas

Pakistanis rose 17pc year-on-year to \$3.6bn in December 2025, up from \$3.1bn in the same month last year, while month-on-month, the inflows grew 13pc.

From a sectoral perspective, S&P Global Market Intelligence analysis highlighted that smaller Pakistani banks delivered some of the

strongest total returns across the Asia-Pacific region in 2025, supported by a robust equity market rally and improving macroeconomic conditions.

Amid a bearish market, investor participation also weakened as the trading volume declined 27.90pc to 1.03bn shares while the traded value plunged 42.05pc to Rs52.9bn.

According to Topline Securities Ltd, the PSX traded largely in the negative zone as investors preferred to book profits before the weekend.

The top negative contributors to the index were Hub Power, Lucky Cement, Engro Holdings, National Bank of Pakistan, Engro Fertiliser, and Oil and Gas Development Company, which collectively wiped out 596 points.

Analysts hope the market may consolidate for a few sessions within the 180,000-187,000 range amid rising geopolitical uncertainty. However, any pullback is likely to offer an opportunity to strengthen positions, as the market remains fundamentally well supported.